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SENATE BILL 551

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

H. Diane Snyder

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN INCOME TAX CREDIT FOR
NEW MEXICO RESIDENTS WHO PROVIDE HOME CARE TO ILL OR DISABLED
FAMILY MEMBERS OVER THE AGE OF SIXTY-FIVE YEARS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] INCOME TAX--CREDIT--HOME CARE.--

A. A taxpayer who files an individual New Mexico
income tax return who is not a dependent of another taxpayer
and who provides home care to an ill or disabled family member
over the age of sixty-five years may claim, and the department
may allow, a tax credit in an amount not to exceed fifty
percent of the actual unreimbursed home care expenditures of
the taxpayer during the taxable year for which the return is

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1 filed.

2 B. The credit provided pursuant to this section may
3 be deducted from the taxpayer's New Mexico income tax liability
4 for the taxable year. If the credit exceeds the taxpayer's
5 income tax liability for the taxable year, the excess shall be
6 refunded to the taxpayer.

7 C. A husband and wife who file separate returns for
8 a taxable year in which they could have filed a joint return
9 may each claim only one-half of the credit provided under this
10 section that would have been allowed on a joint return.

11 D. The credit provided pursuant to this section
12 shall not be allowed for an unreimbursed home care expenditure
13 included in the taxpayer's itemized deductions, as defined in
14 Section 63 of the Internal Revenue Code.

15 E. As used in this section:

16 (1) "dependent" means "dependent" as defined
17 by Section 152 of the Internal Revenue Code, but also includes
18 a minor child or stepchild of the resident who would be a
19 dependent for federal income tax purposes if the public
20 assistance contributing to the support of the child or the
21 stepchild was considered to have been contributed by the
22 resident;

23 (2) "home care" means care provided to a
24 person in the home of that person or in the home of a taxpayer
25 who is a family member of that person; and

.154160.1

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(3) "unreimbursed home care expenditure" means an expenditure for the provision of care to an ill or disabled family member over the age of sixty-five years in the home of that person or in the home of the taxpayer claiming a credit pursuant to this section and includes an expenditure for:

(a) costs incurred in providing food, clothing and medical care to the person; and

(b) extra rent or utilities paid as the result of providing space for the person."

Section 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 2005.